Form (2)

765-b

9-12-2014

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 860/2014 Date: 9th, December 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MS. XU FANGHUA

(b) Citizenship CHINESE

(c) Address NO.402-2-501, LUCHUANXIN STREET, XINCANG TOWN, PINGHU, ZHEJIANG, CHINA

(d) Name and Address of Principal Organization ZHEJIANG HUASHENG GARMENTS CO.,LTD., 136, MIDDLE XINHUA ROAD, PINGHU, ZHEJIANG, CHINA

(e) Place of incorporation PEOPLE'S REPUBLIC OF CHINA

(f) Type of Investment Business MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which Investment is permitted 1249 GWAY CHAUNG KWIN, HOLDING NO. 146/1, GONMIN MYAUNG VILLAGE TRACT, THAR YAR WADDY TOWNSHIP, BAGO REGION

(h) Amount of Foreign Capital US$ 5.000 MILLION

(I) Period for Foreign Capital brought in WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 5.000 MILLION

(k) Construction period TWO YEARS

(l) Validity of investment Permit 20 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar HUASHENG INTERNATIONAL LIMITED

Chairman

The Myanmar Investment Commission

ပုံစံ (၂)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

၇၆၅၇ က
၉-၁၂-၂၀၁၄

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၈၆၀/ ၂၀၁၄ ၂၀၁၄ ခုနှစ် ဒီဇင်ဘာလ ၉ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ ကမကထပြုသူအမည် MS. XU FANGHUA

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ NO.402-2-501, LUCHUANXIN STREET, XINCANG TOWN, PINGHU, ZHEJIANG, CHINA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ ZHEJIANG HUASHENG GARMENTS CO., LTD., 136, MIDDLE XINHUA ROAD, PINGHU, ZHEJIANG, CHINA

(င) ဖွဲ့စည်းရာအရပ် PEOPLE'S REPUBLIC OF CHINA

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) ကွင်းအမှတ် ၁၂၄၉ ငွေချောင်းကွင်း၊ ဦးပိုင်အမှတ်-၁၄၆/၁၊ ဂုံမင်းမြောင် ကျေးရွာအုပ်စု၊ သာယာဝတီမြို့နယ်၊ ပဲခူးတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၅.၀၀၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး ၂ နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၅.၀၀၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၂ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၂၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် HUASHENG INTERNATIONAL LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), THITSAR STREET, YANKIN TOWNSHIP, YANGON

Our ref : DICA-3/FI-1092/ 2014(765-b)
Date : 9th December 2014

Tel: 95-1-658128
Fax: 95-1-658136

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis" under the name of Huasheng International Limited.

Reference: Huasheng International Limited Letter dated (29-9-2014).

1. The Myanmar Investment Commission, at its meeting (27/2014) held on (28-11-2014) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis" under the name of "Huasheng International Limited" submitted by Zhejiang Huasheng Garments Co.,Ltd. (70%) from People's Republic of China and Japan Mizijin Co., Ltd. (30%) from Japan as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 20 (twenty) years commencing from the date of the issuance of Myanmar Investment Commission's Permit. The lease term of land shall be 10 (tent) years and extendable for 5(five) years in 2(two) times commencing from the date of signing of the Land Lease Agreement by mutual agreement between Daw Ohnmar Shwe (lessor) and Huasheng International Limited (lessee). At the expiry of the land lease period, Huasheng International Limited shall transfer the leased land and building to the lessor in good condition, ground damages having been refilled and repaired.

4. The annual rent for land lease shall be US$ 82,151.19 (United States Dollar eighty-two thousand one hundred and fifty one and ninety cent only)

calculated measuring 4.06 acres (16430.237 square meters). The rate of increase in the rent shall not be more than 15% of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted the following exemptions and reliefs as per Chapter XII, section 27(a),(h),(i)and(k) of the Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project:-

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Huasheng International Limited shall have to sign the Land Lease Agreement with Daw Ohnmar Shwe. After signing of the said Agreement, (5) copies shall have to be forwarded to the Commission.

7. Huasheng International Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation, Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Huasheng International Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this “Permit”, it shall become null and void.

9. Huasheng International Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of state condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if Huasheng International Limited cannot construct completely in time during the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Huasheng International Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal in accordance with Chapter XI, section 24 and section 25 of the Foreign Investment Law. Huasheng International Limited has to follow the existing Labour Laws for the recruitment of staff, labour and for training according to the Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Whenever Huasheng International Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally

recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Huasheng International Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Huasheng International Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Huasheng International Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity. Huasheng International Limited has to follow the specifications of EMP submitted to the Myanmar Investment Commission and abide by the environmental policy, Environmental Conservation Law and other environmental related rules and regulations.

20. After getting permit from Myanmar Investment Commission, Huasheng International Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Huasheng International Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire

extinguishers and provide training to use the fire fighting equipment and to appoint fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of export earnings (CMP charges) of Huasheng International Limited.

23. Huasheng International Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Huasheng International Limited

cc:
1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Chairman, CMP Enterprises Supervision Committee
13. Office of the Yangon Region Government
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Human Settlement and Housing Development
16. Director General, Directorate of Industrial Supervision and Inspection

17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Director General, Department of Environmental Conservation
26. Director General, Fire Services Department
27. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)